

DFD-3920-59

10 June 1959

MEMORANDUM FOR : Deputy Director (Plans)
THROUGH : Acting Chief, Development Projects Division
SUBJECT : Field Trip to [redacted], Los Angeles and San Diego

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1. Messrs [redacted]

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[redacted] of Headquarters and Lt. Col. [redacted] of Air Force visited West Coast contractors and discussed the following matters:

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Monday, 1 June 1959 - EG&G, Las Vegas

a. Discussed the following items in connection with Project [redacted]

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- (1) Scope of Work for inclusion in Contract TE-2191.
- (2) Costs to be maintained separate from Project GUSTO work.
- (3) Project [redacted] to cover the period April 15, 1959 to 1 October 1959.
- (4) Inclusion of clauses e.g., Capture & Detention, regarding Government responsibility in connection with EG&G employees while overseas.
- (5) Reduction in estimated costs and applicable fee due to travel being furnished by the Government.
- (6) Travel policy regarding per diem.
- (7) EG&G will require waiver under their AEC agreement if the EG&G representatives go into the Soviet block or AEC is required to pay for travel. (Action Deputy Chief, Development Branch).
- (8) EG&G's internal Work Order No. for Project [redacted] is 2684.

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b. Under Contract No. TE-2191, Project GUSTO, the following items were discussed:

- (1) Starting 1 July 1959, costs for work will be controlled by the Government's fiscal year, i.e., 1 July 1959 through 30 June 1960, etc.

(2) Costs from inception, 1 May 1957 through 30 June 1959, which have not been on a FY basis will be audited and this period will be closed out.

25X1 (3) The Company will submit a listing of all capital purchases made to date. Purchases of capital equipment in the past were orally approved by [] of EAFB. Future purchases of this nature will have approval of the Contracting Officer on a current basis.

(4) The Company indicates that all Government owned equipment has been tagged and a listing is being maintained by IBM.

(5) Subcontracts let by EG&G which require approval of the Contracting Officer will be handled in the same manner as capital equipment purchases. (See (3) above).

(6) EG&G's internal Work Order No. for Project GUSTO is 2260.

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c. [] was informed that under their contract with [] that he should continue to work with Mr. [] even though Mr. [] was a technical advisor in connection with the [] work. EG&G's internal Work Order No. for this work is 2682.

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d. The Test Site was visited and we became generally familiar with the activities being performed. This Site was visited primarily for the benefit of the Deputy Chief, Development Branch.

Tuesday, 2 June 1959 - Eycon Mfg. Co.

a. OS-100 covers furnishing Technicians overseas and is a price redetermination type of contract. The price for the period 1 April 1956 through 30 June 1957 has previously been fixed. The Company by letter dated 20 February 1959 requested a final price of [] for the period 1 July 1957 through December 31, 1959. At the meeting we advised that based on audit approved costs and a reasonable profit the final price would be in the neighborhood of []. The Company was

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advised that questioned costs were in the neighborhood of \$[] for Engineering Overhead, \$34.00 for Material Handling Burden, and [] for G&A. After discussion of the questioned costs Mr. [] of Hycon made an offer of []. The Contracting Officer countered with \$[] which he clearly stated was his maximum. The difference of [] in price is in the same area as in past settlements, namely General and Administrative Expenses. The Company would not accept the offer and asked for a formal letter. This written offer with details will be submitted later for your approval.

- b. OS-500 replaced Contract No. OS-100 for Technicians overseas. Fixed man-month rates were negotiated for the period 1 February 1959 - 30 June 1959.
- c. HTR-88 covers the Air Force requirements for Technicians. Fixed man-month rates were negotiated for the period 1 July 1958 - 30 June 1959.
- d. HF-CT-696 is a fixed price open-end call type contract against which spare parts are ordered. A fixed pricing formula was negotiated for the period 1 February 1959 - 30 June 1959. Starting 1 July 1959 this contract will be replaced with a price redeterminable type.
- e. BC-450 covers in plant engineering, test site work, training field technicians, maintenance and overhaul of existing equipment. Fixed hourly rates were negotiated for the period 1 February 1959 - 30 June 1959.

Tuesday, 2 June 1959 - 3:30 P.M. - Lockheed Aircraft Corp.
Wednesday, 3 June 1959

- a. Made an inspection of the plant and saw the vehicles being modified for the J-75 engines, Air Force vehicle being repaired, U. S. Mule, new type ejection seat, etc.
- b. SP-1916 and SP-1919 cover Air Force requirements. Discussed additional work to be authorized and decided to close out SP-1919 as soon as possible and negotiate

the final price for all of SP-1916 except the portion covering field service for the period 1 March 1959 - February 28, 1960. It is contemplated that additional requirements will be levied against Contract No. SP-1916.

- c. The Contractor furnished current charts regarding expenditures and funding for both Customers under Contracts SP-1917 and SP-1918. Information from these charts will be furnished to the parties concerned.
- d. Discussed overhaul and IRAN of Seat Packs returned by the Air Force. The Company was advised that if the workload increased in this area to the extent that it was not feasible to use their facilities in another portion of their plant that extensive provisioning should not be undertaken without further coordination with us due to the Firewel facility that is presently available.
- e. Received a proposal regarding scrap disposal of facepieces at [redacted]. The Air Force will review this proposal and advise the Contracting Officer of their findings.
- f. The Deputy Chief, Development Branch, authorized the Company to provide provisions in vehicles No. 358 & 360 (J-75 engines) for System VI. The Company said the cost would be in the neighborhood of [redacted] and that this amount could be absorbed in present IRAN funding.
- g. LAC employees that deploy with the J-75 equipped vehicles for initial Detachment familiarization will be charged to Contract SP-1920.
- h. The Company needs guidance immediately in the following areas in connection with the J-75 installations:

(1) Current J-75 delivery schedule.

No.	Deliver to Test Site	Available for Delivery
342	4 May 59	30 Aug. 1959
358	8 June 59	13 July 1959
351	6 July 59	31 July 1959
360	10 Aug. 59	21 Aug. 1959*

*might be 7 days later

- (2) Deployment dates of vehicles in order to establish individual's departure dates and make necessary arrangements.
- (3) Whether a fifth or sixth vehicle will have a J-75 installation. Each days' delay on this decision will result in additional costs to modify vehicles separately from the current four modifications.
- (4) Location and number of J-75 equipped vehicles in order to provision spares on a timely basis.

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Note: (1), (2), (3) and (4) above to be discussed with Mr. C. L. Johnson on 11 June 1959 in Headquarters.

(1)



Thursday A.M. - 4 June 1959 - Thompson-Ramo-Wooldridge

- (a) Discussed passport arrangements for overseas technicians for the Air Force.
- (b) Status of delivery completion for Navy and Air Force.
- (c) Requested submission of GFP and residual listings under A-101 as soon as possible. [redacted] equipment to be itemized separately, if possible.
- (d) Requested shipment be made to Customer B of a 231D Transmitter presently located at [redacted].
- (e) Discussed field service coverage overseas for Navy.

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Thursday P.M. - 4 June 1959 - [redacted]

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- (a) The Company has incurred \$ [redacted] in costs against Task I - Operation Stiffness for which [redacted] had been contractually authorized. Additional scope of work has been authorized and performed. The Company will submit cost and scope details regarding this task.

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- (b) The present contract is a consultant type. In view of the recently agreed upon type of work to be performed it is the consensus of opinion that a cost type of contract would be more feasible than the presently consultant type contract. In view of the above, the Company will submit their proposal for a cost type of contract, no fee, as well as their cost proposal broken down by Tasks. The cost proposal will further be broken down as to estimated funds required through 30 June 1959. If FY '59 funds are available, it would be desirable for each Task to be fully funded rather than attempt to fund on a fiscal year basis. The Contractor indicates that they are doing the work at cost without fee due to the technology they hope to gain in certain fields. The Company indicates that each Task will be performed on a best effort basis for a certain period of time.

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- (c) In order to perform the new work orally authorized security clearances will be needed immediately for [redacted]. Clearances are required as soon as possible on [redacted],
[redacted] Secretary.
Action - Security.

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2. All except [redacted] departed from Los Angeles at 12:15 A.M. on 5 June 1959 for their respective Headquarters.

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[redacted]
Chief, Contracts Branch, DPD